

# EXECUTIVE DIRECTOR'S MONTHLY REPORT

## DECEMBER 2005

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Each month I establish, with input from the Directors, the priority issues on which management and the staff focus. This report summarizes the work that was accomplished during the month as well as other items I feel will give the Council a better understanding of what the staff and I are doing to accomplish our performance objectives.

### **I. Improve the efficiency and accountability of management within the organization**

- Staff and sub-regions completed all Overall Work Program (OWP) submittals. The proposed projects are now undergoing a collaborative review process among SCAG Managers and Directors. Final decisions will be made in early December on which projects to recommend to the Regional Council.
- The SCAG audit committee received a preliminary presentation on the annual audit from KPMG, SCAG's external auditors. The committee will review the final report in early December and a presentation will be made to the RC in January.
- The audit committee also approved the Internal Auditors work program for the remainder of the fiscal year. An emphasis will be placed on accelerating a review of sub-regional partners.
- Caltrans has concluded the current phase of field work for their scheduled review of fiscal years 02-03 and 03-04. At the present time the auditors have not reported any significant issues. Their plan is to review their work papers over the next several weeks in Sacramento, and pending that review, they may return after the first of the year.

### **II. Provide support to the Regional Council in providing direction and leadership to SCAG**

- On November 1st I spoke at the Eno Transportation Foundation, U.S. DOT and EPA Luncheon Symposium on Goods Movement. I presented our Goods Movement paper. The luncheon was attended by key officials of both agencies and Washington interest groups active in Goods Movement. Afterwards, I briefed DOT Assistant Secretary, Tyler Duval and his entire policy team on our Goods Movement White Paper.

On November 1st I also participated in Congresswoman Juanita McDonald's Goods Movement Caucus press conference on Capital Hill.

- On November 3rd I attended the Urban Land Institute 2005 Fall Meeting at the Los Angeles Convention Center. I participated in the session titled "Smart Growth in Action: Implementing the Regional Vision", and also gave a presentation on Compass. The session was attended by both ULI builders and cities from the region.

- Senator Perata invited me to participate in his Rebuilding California Advisory Cabinet. Heather Copp attended the first meeting hosted by the Keston Institute at USC. The Senator outlined his infrastructure proposals and noted that the cabinet will be asked to assist him in developing a statewide agenda.
- On November 6th-8th I was invited to speak and participate in a conference titled “Catalonia/California: Creative Tourism and the New 21st Century Economy” in Sitges, Spain. I was asked to present our Global Gateway paper and discuss the role of tourism in the global economy.
- On November 14th I attended an Intermodal Expo at the Anaheim Convention Center and participated in a session titled “Freight in Southern California — Leading or Bleeding Edge?” The other participants included Rob Leachman (UC Berkley), and Stephen Van Beek (Airport Council Intl. of North America). Rob Leachman presented our “Port Elasticity Study” and I presented our Goods Movement White Paper to a national audience of goods movement companies.
- On November 15th I testified at the Senate Transportation and Housing Subcommittee on California Ports and Goods Movement Informational Hearing in Oakland at the State Office Building.
- On November 16th I presented our Compass 2% Strategy to our forum hosted by CVAG for the cities in the Coachella Valley. Councilman Greg Pettis assisted in convening the forum. A number of cities expressed interest in becoming participants in the program.
- On November 16th and 17th, SCAG hosted an International Symposium with the Seoul Development Institute (SDI) entitled “Global Gateway Regions: South Korea and Southern California”. This Symposium was a continuation of the first held in 2004 whereby our two agencies jointly identify and discuss major planning issues facing metropolitan areas. The program included highlights of our Compass program, our Global Gateway Regions work and lively discussion about the similarities and contrasts between the southern California region and the emerging regional hub city in Northeast Asia. The costs for hosting the program were paid for by the generous sponsorship of 5 businesses in the Los Angeles area.
- On November 19th, I, Steve Erie and Roger Snoble participated in a panel on Goods Movement at the LA Chamber Retreat.
- Public Outreach. During the month of November, SCAG staff conducted 15 presentations to city councils, chambers, subregions, conferences and workshops. Presentations focused primarily on Compass, the RTP, Goods Movement, and Global Gateway regions.

### III. SCAG Operations

- Recruitments

Director of Intergovernmental Relations — panel interviews for the first round were held on November 30th. The panel recommended a short list to be interviewed by Executive Management. A selection is expected in December with the candidate on board in January.

Chief Financial Officer — a nationwide search for the CFO began in November. The first review of resumes will occur in December or early January.

Several other recruitments are underway.

- Professional Pathways/Training

Preventing harassment/discrimination training was completed for employees. SCAG is in compliance with the new law requiring all management and supervisory employees to receive two hours of training every two years and new employees within six months of hire.

Speech Communication training is underway for employees with English as a second language. SCAG is offering this training to staff in 12 week increments. The first six participants started their second phase for intermediate level and another six are starting the beginning session.

Scope of work training was provided to 50-plus staff and sub-regional coordinators in October. A follow-up session for Executive Management was provided on issues related to effective scope of work writing and management. The consultant, Champion Services Group, conducted meetings with each management employee to gather further information on training needs, organization needs and development efforts. They will formulate a strategic training plan to present to management in December for the rest of the fiscal year.

- Business Support Services. One-on-one meetings were conducted with administrative staff, Directors and Managers to obtain input into the development of a work plan for the new Business Support Group. The work plan will address priorities for the Business Support Group and will include such issues as improving the efficiency and quality of the agenda/minutes process; centralization of administrative staff to improve support to SCAG; development of a records management system; and professional development and training for administrative staff.

#### **IV. Implement Adopted Regional Plans**

- Compass 2% Strategy Update. We continue to get requests from our subregions and local governments around the region for presentations on the Compass 2% Implementation Strategy and our tools available to local government. Our Community Development staff is working one on one with individual city planning staff in order to develop applications that will result in the city either using our tools for analysis in a development project or potential development project or in the city becoming a “Compass 2% Strategy Demonstration City”. Cities this month include Rolling Hills Estates, Montclair, Ontario, Rialto, Coachella, Riverside, El Centro and Simi Valley.

All Regional Council members are encouraged to get their city involved in this exciting program.

#### **V. Develop Additional Planning Efforts**

- RTP Update. Based on the SAFETEA-LU and consultation with the federal agencies, staff has developed an approach and schedule for the next RTP update. SAFETEA-LU allows SCAG to update the RTP every four years rather than every three years required under the previous transportation bill, TEA-21. The additional year will not only allow SCAG to align the air quality planning process with the transportation planning process, but it will also allow SCAG more time to resolve challenging fiscal constraint issues

and incorporate the corridor studies and COMPASS 2% Strategy in a more strategic and comprehensive manner. The proposed schedule and the approach have been discussed and approved by SCAG management. It will be presented to the TCC at their December 1, 2005 meeting.

- Goods Movement. Staff is continuing to present and seek peer review of the Port & Modal Elasticity Study and our related work on the value of productivity gains to shippers and transportation companies. I provided testimony in this regard to the State Senate Committee on Transportation & Housing, Subcommittee on California Ports and Goods Movement, which was echoed by other participants and very well received.

Regionally, our most urgent need is to develop consensus on an institution to carry out the program of investments in infrastructure and environmental impact mitigation. To that end, staff is developing a paper laying out various options for institutional arrangements.

Phase II of the State Goods Movement Action Plan is in full swing, with two rounds of work group meetings held in October and November. I have been asked to represent SCAG on the Integrating Working Group and I co-chair the work group on Community Impact Mitigation and Workforce Development. The immediate goal of this process is to provide a status report and strategy to the Governor in December. It is anticipated that the Governor will highlight this strategy in the State of the State.

- Maglev. Staff issued a Notice to Proceed for Task 1 of the Alternatives Analysis of the Initial Operating Segment, upon approval of the Federal Railroad Administration. The analysis will be initiated with a review of existing plans and data, while the remainder of the Detailed Work Plan is finalized.
- Water Policy. The Water Policy Task Force held its November meeting in the Inland Empire. The session included a tour of the Inland Empire Utilities Agency, a Platinum LEED facility and a national model for energy and environmental excellence. All stormwater runoff is retained within their campus for infiltration and reuse. The Task Force had a successful dialogue with newly appointed State Water Resources Control Board member, Jerry Secundy. Task Force members were very encouraged to hear a Board member committed to achieving water quality through agency cooperation, sound technical information and feasible fiscal arrangements. The Task Force recommended that SCAG support and encourage the use of the Ahwahnee Water Quality Principles for Resource Efficient Land Use within the region.
- SAFETEA-LU Implementation. Jim Gosnell and others attended the CALCOG/Regional Coordination Group Meetings in Sacramento on November 14th to discuss numerous aspects of implementing the legislation at the State level. There was an additional meeting with several MPOs and Caltrans to review the distribution formula used by the State for FHWA planning money. There will be no change to the formula.
- CEQA Reform. I and the staff have continued to participate in Statewide CEQA reform discussions, which have evolved into a set of broader negotiations on development, planning, and environmental protection under various State statutes and programs. All State cabinet level agencies are participating in discussions with Business, Transportation and Housing (BTH) and Resources in lead roles. Staff

expects proposed legislation in a number of areas to emerge within the next month. Any legislation that comes out of this effort will be brought before the Regional Council for consideration of a position.

- Housing Element/RHNA Reform. I have periodically reported to the Regional Council about our ongoing efforts at both the executive and staff levels with the State offices of Business, Transportation and Housing (BTH) and State Housing and Community Development (HCD). This month we attended several meetings on Housing Element and RHNA reform and appear to have been successful in getting several of our goals to streamline the RHNA process and support Secretary McPeak's efforts to create a "House Your Own" 20 year planning program to meet statewide housing needs into the deliberations. The next steps will be to continue to participate in the process (targeted to conclude at the end of December, 2005) and then review and monitor the intended package of legislative reforms in this area and others in the 2006 legislative session.
- RHNA Financing. On November 18th, the General Counsel appeared before the Superior Court in Sacramento to argue the writ on mandate which SCAG and ABAG had previously filed to challenge the Commission on State Mandates determination that SCAG and ABAG are not eligible claimants for state reimbursements for RHNA costs. The Court took the matter under submission and is expected to issue a written ruling in the near future.
- Bruce DeVine has been acting as liaison between SCAG and the LA County Children's Planning Council (LACCCPC) for the past three months, helping them to structure and publicize their 2005 LA County City Leaders Summit, titled "Building Blocks for Cities' Economic Success: Investing in Early Childhood."

The Summit was held on Thursday, November 17th at the Downtown Sheraton Hotel. About 200 delegates attended. Mayor Villaraigosa addressed the summit in the morning, along with several other mayors from LA County, followed by six concurrent workshops. In addition to his assistance to the conference organizers, Bruce was a presenter on one of the workshop panels, titled "Childcare as an Emerging Industry: Workforce Development in Your City." Bruce spoke about the workforce competitiveness provisions of the draft RCP Economy Chapter and the economic calculus (costs and benefits) of childcare and early childhood education.

## **VI. Data & Planning Methods**

- GIS Day at SCAG. SCAG Information Services Department (ISD) staff held their first annual GIS Day on November 16, 2005. GIS Day is a global event where thousands of users of geographic information system (GIS) technology open their doors to schools, businesses, and the general public to showcase real-world applications of this exciting technology. GIS Day takes place during National Geographic Society's Geography Awareness Week. Staff showcased their mapping products, software and applications such as Keyhole, a 3-D mapping software application. In addition, it also included demonstrations from invited guests. GIS Day was deemed a huge success and ISD staff is already planning next year's event.
- Travel Model Improvement. Cambridge Systematics Inc. completed development of the new Travel Forecasting Model during November. ISD staff will now subject this model to a series of validation tests against observed transportation system and survey data to insure that it appropriately replicates travel

conditions and behaviors in the region. An intensive training session on the new model using TransCad personal computer software has been scheduled for December 5-9, 2005. The training will be conducted by the Caliper Corporation staff, developers of the TransCad software.

- Cambridge Systematics is also developing a refined Heavy Duty Truck Model as an important component of the SCAG Travel Forecasting Model. SCAG received permission to use Department of Motor Vehicle truck registration data to assist in the survey sampling methodology. The comprehensive itinerary survey of more than 1,100 trucks with a gross vehicle weight greater than 8,500 pounds will enable SCAG to more accurately model truck travel patterns in the region. The full survey will follow a pilot test to be initiated in the coming weeks.
- The U.S. DOT's Volpe Center from Cambridge, MA is collaborating with ISD staff in conducting the 3rd and final national expert and peer review on the SCAG Travel Model Improvement Project to be held January 9-10, 2006. Noted modeling experts from FHWA, FTA, MPOs, universities, and private consultants have been selected to participate in this peer review.
- Member & Agency Support Services. During November ISD staff provided Modeling and Data support to various member jurisdictions including a request from the City of Moreno Valley, MTA's I-710 Tunnel Study, and a data request for RCTC's Freeway Strategic Study.

## VII. Legislative Program

- Implement the Legislative Program

Federal Transportation Appropriations. On November 18th, the federal fiscal year 2006 Transportation Appropriations Conference Report was released. The conference report is brief and contains only cursory program allocation information. Some highlights of the appropriations bill include the following:

- 1) Federal aid highways are funded at \$36.8 billion, equal to the authorized amount in SAFETEA-LU;
- 2) All High Priority Projects—in other words, earmarks — were preserved with the exception of two bridge projects in Alaska;
- 3) Essential Air Service is funded at \$110 million, an increase from the 2005 mark;
- 4) The Airport Improvement Program is funded at \$3.55 billion;
- 5) \$8.6 billion is appropriated for transit, an increase of 12% over 2005 levels and consistent with SAFETEA-LU; and
- 6) AMTRAK is funded at \$1.3 billion, an increase of approximately \$100 million from 2005.

Prior to the release of the Conference Report, the House of Representatives approved the 2006 Transportation-Treasury-HUD Appropriations Bill by a vote of 392 to 31. The Senate passed the measure by unanimous consent. Upon the President's signature, metropolitan planning organizations like SCAG will officially begin operating at the improved funding levels listed in SAFETEA-LU.

State Fiscal Outlook. On November 17th, the Legislative Analyst's Office (LAO) released its annual report on California's fiscal outlook. The news was positive. The LAO estimates that the current year will end with a reserve of \$5.2 billion, up nearly \$4 billion for the fiscal year 2005-2006 budget act estimate. This large carryover reserve will counter the anticipated \$4 billion deficit for 2006-2007 without new program reductions or added tax revenues and will result in a \$1.2 billion reserve. While this news is encouraging, operating shortfalls are projected through the near future and peaking fiscal year 2007-2008, in part due to the repayment schedule for Proposition 42 loans. These updated figures are sure to affect the Governor's January budget and may bolster the transportation community's position to fully fund and firewall Proposition 42 in the coming year.

TASIN/Riverside County Tribal Task Force. On November 21st, Regional Councilmember Greg Pettis, Deputy Executive Director Jim Gosnell, Chief Legal Counsel Karen Tachiki and Government Affairs Manager Don Rhodes met with the TASIN/Riverside County Tribal Task Force at the Cal State San Bernardino Palm Desert Campus to discuss tribal government participation in SCAG. Also in attendance were Riverside County Supervisors Marion Ashley and John Tavaglione.

The conversation was broad and included a description of SCAG's roles and responsibilities, SCAG's bylaws as they relate to tribal governments, membership dues, and voting structure. Joe Loya, Property Resource Manager for the Torres Martinez, provided an overall background from the tribal governments' staff perspective.